



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

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**FORMER TEXAS RIO GRANDE LEGAL AID PARALEGAL SENTENCED TO FEDERAL PRISON
FOR FRAUD SCHEME INVOLVING VETERAN DISABILITY CLAIMS**

United States Attorney John E. Murphy; Jeffrey Schanz, Inspector General for Legal Services Corporation; and, Special Agent-in-Charge John McDermott, Department of Veterans Affairs Office of Inspector General (VA OIG), Criminal Investigations Division in Dallas announced that in San Antonio this morning, 53-year-old Leo G. Alvarado was sentenced to 54 months in federal prison for stealing funds allocated to serve the legal needs of indigent veterans. In addition, United States District Judge Fred Biery entered a Monetary Judgment of Forfeiture against Alvarado in the amount of \$134,350.35 which will be satisfied by proceeds from the sale of several Texas properties owned by Alvarado.

The Texas Rio Grande Legal Aid (TRLA) is funded primarily from the Legal Services Corporation (LSC), a federal entity created by Congress to provide funds to legal organizations providing services to low income persons. According to court records, Alvarado, a disbarred Texas lawyer, was the Team Manager for Veterans Services for the Texas Rio Grande Legal Aid (TRLA). Alvarado was paid to travel throughout Texas to assist indigent veterans and widows in filing their claims with the Veterans Administration. From November 2003 until his termination in February 2006, Alvarado submitted over 500 fraudulent vouchers totaling \$134,350.35 for purported business trips from his San Antonio residence to assist clients in Big Spring, San Angelo, Midland, Waco and other Texas cities. As a Team Manager, Alvarado approved his own travel.

Investigators determined that Alvarado created clients on paper in order to receive travel pay. In many instances, he fabricated names, addresses, phone numbers, and Social Security Numbers (SSNs). Many of the SSNs belonged to deceased individuals, were invalid, or were associated with another name. Alvarado also fabricated VA award letters and claimed to be a VA expert. The VA had no knowledge of Alvarado or any record showing he assisted any veteran or widow.

On October 29, 2009, Alvarado pleaded guilty to four counts of mail fraud.

This case was investigated by agents from the Office of Inspector General from the Department of Veterans Affairs, Legal Services Corporation and the Social Security Administration. Assistant United States Attorneys Judith Patton and Mary Nelda Valadez prosecuted this case on behalf of the government.

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